



**Environmental Services Division**  
**Energy and Waste Management Bureau**

For Immediate Release

July 22, 2004

DNR Contact: Tami Foster (515) 281-6558

Patti Cale-Finnegan (515) 242-6043

**VOLATILE CRUDE OIL PRICES CONTINUE TO IMPACT GASOLINE AND OTHER PETROLEUM PRODUCTS**

**DES MOINES** — With the busy summer driving season underway, Iowans can expect gasoline prices to continue to be volatile as the market responds to global influences. And, although winter is still several months away, consumers are encouraged to start checking prices for home heating fuels.

“The threat of terrorist attacks, global economic growth and a strong demand worldwide continue to impact the crude oil market,” said Tami Foster, Iowa DNR energy analyst. “It is safe to say that prices will continue to fluctuate for some time yet.”

Crude oil finished trading on July 20 at \$40.86 per barrel, \$3.53 higher than last month. One year ago, crude was \$31.08 per barrel.

With the price of crude oil continuing to be volatile, the DNR recommends that propane and heating oil users start checking prices. They should also consider filling their tanks or signing up for pre-purchase plans this summer or early fall. However, consumers may have difficulty locating acceptable prices or signing plans.

“Dealers may be hesitant to buy heating oil at today’s high prices,” said Foster. “Typically, pre-purchase plans are offered in the summer so consumers can lock in at lower prices. That may not be the case this year. It may be difficult for dealers to set rates for contracts while the prices are high. So, we encourage consumers to start watching prices and shopping around.”

According to the DNR’s July 15 fuel price survey, the average retail price of No. 2 heating oil was \$1.36 per gallon, \$0.04 higher than last month and 27 percent above the price of heating oil at this time last year (\$1.07 per gallon). Midwest heating oil inventories are 8 percent lower than this time last year.

The survey reported the average retail price of propane was \$1.01 per gallon, \$0.02 lower than the previous month, but 9 percent above the retail price of propane at this time last year (\$0.93 per gallon). Midwest propane inventories are nearly 23 percent higher than last year at this time.

Gasoline prices are \$0.02 lower than one month ago, averaging \$1.84 for a gallon of self-serve, regular unleaded gasoline. Prices across the state ranged from \$1.76 to \$1.91 per gallon and averaged \$0.39 higher than this time last year.

The average price for regular unleaded gasoline blended with ethanol was \$1.82 per gallon. Ethanol-blended gasoline currently represents 67.1 percent of the market share with more than 92 million taxable gallons sold in Iowa in May.

The average price of self-serve diesel fuel on July 15 was \$1.74, up \$0.02 from last month. Diesel fuel was \$1.44 per gallon one year ago.

Natural gas closed at \$5.85 per million Btu on July 14, \$0.51 lower than last month and 16 percent higher than one year ago. Natural gas prices are expected to remain high through the rest of 2004 due to strong demand and high petroleum prices.

To help consumers improve fuel efficiency, the Iowa DNR has placed tips and information on fuel savings and alternative fuels on its website at [www.iowadnr.com](http://www.iowadnr.com). Tips include driving more efficiently, keeping vehicles tuned up and planning and combining trips. Consumers can also choose ethanol at the pump, purchase E85 for flexible fuel vehicles and choose biodiesel blends for diesel vehicles.

E-85, a blend of 85 percent ethanol and 15 percent gasoline, is currently being offered to flexible fuel vehicle owners in northwest Iowa for 25 cents per gallon less than regular unleaded gasoline.

“With fuel prices high at the pump, using E-85 makes more sense than ever,” said Christi Vander Voort, Iowa E-85 coordinator for the National Ethanol Vehicle Coalition. “E-85 is a high-powered, clean-burning fuel that strengthens Iowa’s economy and helps the nation become energy independent.”

Siouxland Energy and Livestock Cooperative is making E-85 available for less through Coop Gas & Oil in Sioux Center, Midwest Farmer’s Coop in Orange City, Lyon County Coop Oil Company in Rock Rapids, and the Pronto Store in Akron.

According to Vander Voort, more than three million flexible fuel vehicles are on the roads in the U.S. today. Manufacturers include Daimler-Chrysler, Ford Motor Company, General Motors Corporation, Mazda, Mercury and Isuzu.

#### MOTOR FUELS SURVEY

<b>Self-Serve</b>	<b>June 15</b>	<b>July 15</b>	<b>Change</b>
Regular Unleaded	1.86	1.84	-0.02
Regular Unleaded with Ethanol	1.84	1.82	-0.02
Premium Unleaded	1.96	1.94	-0.02
Diesel	1.72	1.74	+0.02
<b>Full-Serve</b>	<b>June 15</b>	<b>July 15</b>	<b>Change</b>
Regular Unleaded	1.92	1.95	+0.03
Regular Unleaded with Ethanol	1.91	1.94	+0.03
Premium Unleaded	2.05	2.07	+0.02
Diesel	1.84	1.81	-0.03

#### HEATING FUELS SURVEY

	<b>June 11</b>	<b>July 16</b>	<b>Change</b>
Propane	1.03	1.01	-0.02
#2 Heating Oil	1.32	1.36	+0.04
Natural Gas	6.36	5.85	-0.51

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	<b>June 15</b>	<b>July 15</b>	<b>Change</b>
Ames	1.87	1.88	+0.01
Cedar Rapids	1.88	1.77	-0.11
Council Bluffs	1.90	No report	
Davenport	1.86	1.83	-0.03
Des Moines	1.85	1.84	-0.01
Dubuque	1.86	1.89	+0.03
Fort Dodge	1.96	1.84	-0.12
Iowa City	1.92	1.87	-0.05
Sioux City	1.71	1.82	+0.11
Waterloo	1.85	1.87	+0.02
Webster City	1.93	1.84	-0.09
Average Metro Price	1.86	1.83	-0.03

AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	<b>June 15</b>	<b>July 15</b>	<b>Change</b>
Northeast	1.83	1.85	+0.02
Northwest	1.85	1.85	No Change
Southeast	1.86	1.86	No Change
Southwest	1.87	1.83	-0.04
Rural Area Average	1.85	1.83	-0.02